

Asset Management Questions & Answers

Posted 9/25/2012

Source: <https://www.fhwa.dot.gov/map21/qandas/qaassetmgmt.cfm>

Question 1: What is asset management?

Answer 1: Asset management is a strategic and systematic process of operating, maintaining, and improving physical assets, with a focus on engineering and economic analysis based upon quality information, to identify a structured sequence of maintenance, preservation, repair, rehabilitation, and replacement actions that will achieve and sustain a desired state of good repair over the lifecycle of the assets at minimum practicable cost. (23 U.S.C. 101(a)(2), MAP-21 § 1103)

Question 2: What requirements does MAP-21 have pertaining to asset management?

Answer 2: Each State is required to develop a risk-based asset management plan for the National Highway System (NHS) to improve or preserve the condition of the assets and the performance of the system. (23 U.S.C. 119(e)(1), MAP-21 § 1106)

The Secretary is required to issue a regulation not later than 18 months after date of enactment, after consultation with the States, which will establish the process to develop the State asset management plan for the NHS. (23 U.S.C. § 119(e)(8), MAP-21 § 1106)

Question 3: What are the scope and content of a risk-based asset management plan?

Answer 3: In general, a State risk-based asset management plan includes strategies that lead to a program of projects that would make progress toward achievement of the State targets for asset condition and performance of the NHS in accordance with 23 U.S.C. 150(d) and supporting progress toward the achievement of the national goals identified in 23 U.S.C. 150(b). (23 U.S.C. 119(e)(2), MAP-21 § 1106) States must address pavements and bridges but are encouraged to include all infrastructure assets within the highway right-of-way in their risk-based asset management plan.

23 U.S.C. 119(e)(4) (MAP-21 § 1106) requires that a State asset management plan be in a form that the Secretary determines to be appropriate. It also requires that the plan include:

1. a summary listing of the pavement and bridge assets on the NHS in the State, including a description of the condition of those assets;
2. asset management objectives and measures;
3. performance gap identification;
4. lifecycle cost and risk management analysis;
5. a financial plan; and
6. investment strategies.

Question 4: What other infrastructure assets within the highway right-of-way can be included in a risk-based asset management plan?

Answer 4: While the MAP-21 risk-based asset management plan specifies pavements and bridges on the NHS in 23 U.S.C. § 119(e)(4), 23 U.S.C. 119(e)(3) (MAP-21 § 1106) requires the Secretary to encourage States to include all infrastructure assets within the highway right-of-way. Examples of such infrastructure assets include: pavement markings, culverts, guardrail, signs, traffic signals, lighting, Intelligent Transportation Systems (ITS) infrastructure, rest areas, etc., in the asset management plan.

Question 5: Is the cost of developing a risk-based asset management plan eligible for Federal funding?

Answer 5: Yes, costs associated with development of a risk-based asset management plan are eligible for Federal funding. Specifically, these costs are eligible for both National Highway Performance Program (NHPP) and Surface Transportation Program (STP) funds pursuant to 23 U.S.C. 119(d)(2)(K) (MAP-21 § 1106) and 133(b)(24) (MAP-21 § 1108). These activities include data collection, maintenance, and integration and the cost associated with obtaining, updating, and licensing software and equipment required for risk-based asset management and performance-based management. (23 USC §§ 119(d)(2)(K), 133(b)(24), MAP-21 §§ 1106, 1108)

State Planning and Research (SPR) funds may also be used for asset management plans and processes for the NHS. (23 U.S.C. § 505(a)(3), MAP-21 § 52005) Additional guidance will be provided separately.

Question 6: Is the eligibility for risk-based asset management limited to the NHS? If a State decides to develop a risk-based asset management plan for its entire highway network what portion of the cost is an eligible cost?

Answer 6: A risk-based asset management plan that includes other public roads is eligible for STP under 23 U.S.C. 133(b)(24) (MAP-21 § 1108) so long as the asset management plan includes the NHS. States may use STP funds for activities on public roads similar to eligible activities for the NHS asset management plan. (23 U.S.C. 133(b)(24); MAP-21 § 1108)

Question 7: What are risk and risk management?

Answer 7: In general, risk is the positive or negative effects of uncertainty or variability upon agency objectives. Risk management generally consists of the cultures, processes and structures that are directed towards the effective management of potential opportunities and threats. However, different agencies can use different definitions. Transportation agencies should consider risk as part of the strategic and systematic process of operating, maintaining, and improving physical assets and managing their highway network with a focus on the program and agency level. In addition, risk should be considered at the project level to control cost, scope, and schedule.

Question 8: When must a State have an asset management plan for its NHS?

Answer 8: Pursuant to 23 U.S.C. 119(e)(5) (MAP-21 § 1106), in order to avoid a reduction in the Federal share under NHPP (see Q&A 10), States are required to have developed and implemented an NHS asset management plan by the second fiscal year beginning after the Secretary establishes by regulation the process for asset management plan development. The Secretary is required to issue a regulation not later than 18 months after the enactment of MAP-21. (23 U.S.C. § 119(e)(8), MAP-21 § 1106)

Question 9: Will the Secretary approve asset management plans?

Answer 9: The Secretary will not approve asset management plans. However, under 23 U.S.C. 119(e)(6), the Secretary must certify that the process used to develop the asset management plan meets requirements established under 23 U.S.C. 119(e)(8). (MAP-21 § 1106) Also, not less than once every 4 years, the Secretary will review and recertify that the process the State used to develop and maintain the State asset management plan for the NHS meets requirements established under 23 U.S.C. 119(e)(8). (MAP-21 § 1106)

23 U.S.C. 119(e)(8) requires the Secretary to establish the process the States must use to develop their asset management plans through a rulemaking. The Secretary's certification and recertification of the States' processes will be based a review of the processes for compliance with the future regulations that will be established through the rulemaking process.

Question 10: What happens if a State does not develop an Asset Management Plan meeting the requirements to be established in accordance with 23 U.S.C. 119(e)(4) and(8)?

Answer 10: The second fiscal year beginning after the Secretary establishes by regulation the process for asset management plan development under 23 U.S.C. 119(e)(8), and in each subsequent fiscal year, if the Secretary determines that a State has not developed and implemented an asset management plan consistent with section 119, the Federal share for NHPP projects and activities in that fiscal year is reduced to 65 percent. (23 U.S.C. 119(e)(5), MAP-21 § 1106).